

Stafford County Utilities Commission
Meeting Minutes
January 10, 2012

I. Call to order

Chairman Bill Tignor called to order the regular meeting of the Utilities Commission at the Stafford County Administration Center on January 10, 2012 in the Activities Room.

II. Roll call

Cheryl Giles conducted a roll call. The following persons were present: Joyce Arndt, David Bohmke, Rick Carroll, Lloyd Chittum, Bob Gibbons, and Bill Tignor. Harry Critzer, Dale Allen, Janet Spencer, Deidre Jett and Cheryl Giles were present for the Utilities Department.

III. Election of Officers

Nominations were opened for the office of Chairman. Lloyd Chittum nominated Rick Carroll. Mr. Carroll declined. Bob Gibbons nominated Bill Tignor. Lloyd Chittum seconded the nomination. There being no further nominations, the commission voted on the office. Mr. Tignor was elected by a 6-0 vote.

Nominations were opened for the office of Vice Chairman. Bill Tignor nominated Bob Gibbons. Lloyd Chittum seconded the nomination. There being no further nominations, the commission voted on the office. Mr. Gibbons was elected by a 6-0 vote.

Nominations were opened for the office of Recording Secretary. Bill Tignor nominated Danny Kim. Bob Gibbons seconded the nomination. There being no further nominations, the commission voted on the office. Mr. Kim was elected by a 6-0 vote.

IV. Public Presentations

Paul Waldowski of 8 Pickett Lane commented that he wanted to inform the Commission that he is still seeking their recommendation on the county providing water and sewer maintenance for Stafford Meadows subdivision. Mr. Waldowski thanked the commission for responding to the petition provided by the HOA president and thanked staff for evaluating the Stafford Meadows water and sewer system.

Mr. Tignor asked if a response had been received from the HOA president. Mr. Critzer responded that a response had not been received regarding their willingness to pay for upgrades to the system since the May, 2011 meeting.

V. Approval of minutes from last meeting

The September 13, 2011 minutes were approved as written.

VI. Commission Members' Comments

Mr. Chittum requested the agenda package be sent out two to three weeks prior to the meeting to provide additional time for reviewing the information.

Mr. Carroll asked if the appraisal that was completed for the Stafford Meadows water and sewer system was still valid. Mr. Critzer responded the appraisal would need to be updated before Utilities would consider acquiring maintenance of the system.

VII. Director's Report

Mr. Critzer reported that the County Administrator requested items be presented to the Commission prior to being presented to the Board of Supervisors. The following items are scheduled for the January 17th Board meeting:

- Bids were opened for construction of the Rocky Pen Run Dam on January 6, 2012. Five bids were received ranging from \$33.3M to \$43.5M. Haymes Brothers was the lowest bidder. Staff will ask the Board to award a contract to Haymes Brothers in the amount of \$33,357,755.
- To award a contract to Schnabel Engineering for construction management and engineering services for the Rocky Pen Run Reservoir Dam in the amount of \$2.9M. This amount is included in the \$125M estimate for the Rocky Pen Run project.
- To authorize an amendment of the contract with Haymes Brothers for the Borrow Area 9 project in the amount of \$220,000 for excavation and stockpiling of additional clay material for construction of the Rocky Pen Run Dam core.
- Staff will ask the Board to authorize a lease agreement for office space located across from the courthouse for the Utilities Department. Staff is unhappy with the HVAC system of the office space we currently lease and with being located two miles away from the Government Center. It will generate an estimated savings of \$32,000 to \$33,000 per year.

Mr. Gibbons inquired if the \$33.4M amount was in line with the projected cost for the dam. Mr. Critzer responded the projected cost was \$38M for the dam and \$26M for the treatment facility, which was on target with the projected cost. Mr. Gibbons requested staff provide a PowerPoint slide displaying the Rocky Pen Run reservoir and dam costs.

Mr. Bohmke asked if the \$220,000 cost for the Borrow Area 9 project was an additional cost or if it's a cost that will save in other areas. Mr. Critzer responded that staff felt it would be prudent to set aside additional clay for the core of the dam. Since two other borrow areas have been identified, it would cost more to obtain the clay after construction had begun.

Mr. Tignor inquired about the number of employees that would be included in the office move. Mr. Critzer responded the office move would include the administrative, engineering, customer service, billing, meter reading and inspections staff.

Mr. Critzer stated that with the magnitude of the expenditures for Rocky Pen Run, it is difficult to address water and sewer infrastructure needs. In the last three years, about \$50M worth of CIP projects have been deferred. Since the earthquake, hurricane, and damage to a sewer interceptor, it is no longer prudent to defer these projects. Staff is looking at other ways to finance the projects within the next three years and will be seeking the Commission's guidance and recommendations on how to best determine financing these projects with the least negative impact on what customers will pay. Staff is planning to do a rate study in FY13. Staff will determine if we are charging the right residential and non-residential water and sewer rates. Based on the rate model, an increase to customers over a 10-year period would amount to \$3 to \$4 a month on an annual basis for the first three years. It would then decrease to a \$1 to \$2 increase the remaining years.

VIII. New Business

Overview of Capital Project Needs

Mr. Critzer informed the Commission that staff has not met with County Administration and Finance to present the draft CIP.

Mr. Gibbons asked staff to provide the Utilities department's borrowing capacity.

Mr. Allen provided an overview and highlighted the projected cost and funding for the following CIP projects for FY2013-FY2022.

Rocky Pen Run Dam, Reservoir and Water Treatment Facility	Austin Run PS and Force Main Replacement
370N Water Pressure Zone Booster Pump Station	Potomac Creek PS and Force Main Upgrades
342 Water Pressure Zone System Improvements	Gravity Sewer Replacement Along Austin Run from Whitson Run to Austin Run PS
Celebrate Virginia Water Storage Tank	Wastewater PS Rehabilitation
Courthouse Area Water Storage Tank	Wastewater Collection System Rehabilitation
480 Water Pressure Zone System Improvements	Equipment Replacement-Aquia WWTF
Courthouse Area Water System Improvements	Equipment Replacement-Little Falls Run WWTF
310 Water Pressure Zone Improvements (Hampton Oaks & Austin Ridge)	Route 1 North Sewer Line
Water Distribution System Rehabilitation Program	Vehicles and Equipment Replacement
Oaks of Stafford Wastewater PS Replacement	Centerport Tank
Old Route 3 Wastewater PS Replacement	Utilities Operations & Administration Complex
North Stafford Industrial Park Wastewater PS & Force Main Replacement	Claiborne Run SPS Replacement and Parallel Force Main
Ebenezer Church Wastewater PS Replacement	Falls Run SPS and Force Main Replacement
Claiborne Run Gravity Sewer Replacement	VDOT Falmouth Interchange Waterline Replacement
Falls Run Sewer Interceptor Replacement – Phase 1	Regional Water Interconnection
Falls Run Sewer Interceptor Replacement – Phase 2	Moncure Water Booster Pump Station
Wayside Sewer Interceptor	

Mr. Gibbons asked if all of the funding for the Rocky Pen Run project had been accounted for. Mr. Allen responded that all funding has been accounted for except for the clearing of the timber saddle dishes and other minor components.

Mr. Gibbons asked if the 370N Water Pressure Zone Pump Station project had been approved. Mr. Critzer responded that it has not been approved by the Board for the FY2013-FY2022 CIP, but was approved on previous CIP.

Mr. Chittum requested a larger map of the 342 Water Pressure Zone System Improvement project. Mr. Gibbons asked how the Rocky Pen Run Reservoir water supply would be connected to the Abel Lake Water Treatment Facility (WTF) and Smith Lake WTF water supply. Mr. Allen responded they would not be connected. The waterline is solely to get water out of Rocky Pen Run Water Treatment Plant.

Mr. Gibbons asked if Rocky Pen Run would be serving two pressure zones. Mr. Allen responded that it would serve the two existing pressure zones. It would also serve the proposed 370 Pressure Zone when the pump station is built on Centerport Parkway.

Mr. Bohmke inquired about the total number of pressure zones in the county. Mr. Allen responded there are currently six major pressure zones. Mr. Bohmke was provided with a map of the pressure zones. Mr. Gibbons asked how many pressure zones Smith Lake WTF serves. Mr. Allen responded it serves the 310, 433, and 472 pressure zones.

Mr. Gibbons asked staff to research the difference in cost regarding leasing versus ownership for vehicles and equipment.

Mr. Tignor asked if the Regional Water Connection with the City of Fredericksburg and Spotsylvania County is a shared cost. Mr. Allen responded it is a shared cost. Mr. Critzer explained that Spotsylvania and Stafford County would be responsible for 40% each and City of Fredericksburg would be responsible for 20%, but the details have not been finalized.

Mr. Gibbons asked how many zones are being served from the Berea pressure zone and what the capacity of the Rocky Pen Run reservoir is. Mr. Critzer responded the capacity of the Rocky Pen Run reservoir is 5.4 billion gallons and the Berea pressure zone only serves the 503 zone. Mr. Gibbons asked staff to provide how many units are being served by the three pressure zones at Smith Lake WTF and the three pressure zones at Abel Lake WTF.

Mr. Gibbons asked for the total amount of the CIP projects. Mr. Critzer responded the total for the projected FY2013-FY2022 plan is \$258M.

Financial Overview

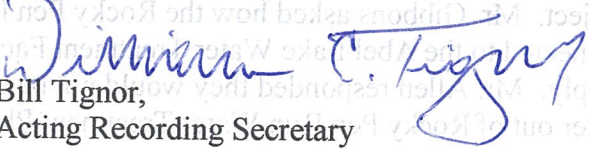
Ms. Jett provided an overview highlighting the Commission's functions, powers and duties, a summary of the fiscal policy, a summary of the upcoming bond program, and the trends and challenges that Utilities may face.

Ms. Jett reported that in the past, Utilities relied on funding from availability fees for capital projects. We can no longer rely solely on availability fees, but will need to begin to rely on user fees to cover more of the capital costs and debt ratio #4, which states that debt service should be able to be covered by net operating revenues.

IX. Adjournment

Mr. Tignor adjourned the meeting at 8:40pm.

Minutes submitted by:


Bill Tignor,
Acting Recording Secretary